DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS

COMPLETE STATEMENT

OF

LIEUTENANT GENERAL ROBERT B. FLOWERS
CHIEF OF ENGINEERS
U. S. ARMY CORPS OF ENGINEERS

BEFORE

THE SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE CIVIL WORKS PROGRAM BUDGET
FISCAL YEAR 2003

FEBRUARY 27, 2002

COMPLETE STATEMENT

OF

LIEUTENANT GENERAL ROBERT B. FLOWERS
CHIEF OF ENGINEERS
U.S. ARMY CORPS OF ENGINEERS

BEFORE

THE SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

ON

THE CIVIL WORKS PROGRAM BUDGET
FISCAL YEAR 2003

Mr. Chairman, and Members of the Subcommittee:

INTRODUCTION

I am honored to be testifying to your subcommittee today, along with the Assistant Secretary of the Army (Civil Works), the Honorable Mike Parker, on the President's Fiscal Year 2003 (FY03) Budget for the United States Army Corps of Engineers' Civil Works Program.

I am especially honored to have the opportunity to lead the Corps through its current challenges to serve this great nation in meeting its many water and related land resources management needs.

Thanks to this subcommittee's support, the Civil Works Program remains strong, balanced, responsive, and highly productive. I look forward to working with you in furtherance of our partnership in prosecuting this fine program, so broadly beneficial to our nation.

In this statement, I will focus on significant challenges for the nation in light of the September 11th terrorist attacks, and will say just a few words about the Corps role in assessment of national water and related land resources management needs. Accordingly, my statement covers just these three topics:

- Summary of Corps of Engineers actions after the terrorist attacks, especially support to the Federal Emergency Management Agency;

- Highlights of the Civil Works program budget;

- Summary of how the Civil Works Program provides support to the Nation's economic security.

SUMMARY OF CORPS POST-ATTACK ACTIONS

Mr. Chairman, and Members of the Subcommittee, last September 11th, the nation and the world watched in horror and disbelief as the World Trade Center and the Pentagon were attacked by terrorists and the passengers and crews of four air liners lost their lives.

I am proud to say that the Corps of Engineers provided critical support to the Federal Emergency Management Agency in the aftermath of those terrorist attacks. Corps members provided technical assistance for debris removal, electrical power assessment and structural assessments during operations in New York City. Corps members also provided technical assistance for debris removal at the Pentagon. Today, the Corps continues to support FEMA, the Department of Defense, and the nation in the disaster recovery mission in New York City and at the Pentagon through its execution of the Public Works and Engineering mission. These emergency response and recovery actions take place under Emergency Support Function Number 3 in the National Emergency Response Plan, for which FEMA has assigned the lead to the Corps of Engineers.

I would like to highlight some of the accomplishments the Corps achieved in our support:

In the aftermath of the collapse of the World Trade Center towers, it was virtually impossible to exit Manhattan by car or other ground transportation. A virtual armada of boats came together, in an impromptu fashion, crossing the water to reach Manhattan to ferry trapped people out of the area of devastation.

Among those boats were seven vessels owned by the United States Army Corps of Engineers. These craft carried approximately 2,000 stranded citizens from south Manhattan to Brooklyn, Jersey City, and Staten Island. On the return trip, the crews ferried firefighters and relief workers into Manhattan, provided fuel, antifreeze, and oil for the New York City fire trucks, and transported 1,000 gallons of potable water to the firefighters. Personnel on board the vessels also included structural analysts deployed to New York City to assist in the urban search and rescue mission. The collapse of the World Trade Center's twin towers caused so much destruction and devastation to the buildings surrounding them that those buildings were unsafe to enter to conduct a safe

search and rescue effort. The Corps deployed surveyors to assist the city's engineers in evaluating some of the more complicated building situations.

An assessment team from the 249th Engineer Battalion (Prime Power) was deployed to the financial district of New York City shortly after the attack. The soldiers provided technical assistance to Con Edison, the power company that provides electric service to New York City and most of Westchester County, in the installation of 56 city-supplied 1500-kilowatt generators to support emergency electrical power requirements. As a result of their efforts, the New York Stock Exchange was up, running, and fully operational on Monday September 17th, only four business days after the attack.

On September 13, New York City requested a permit to dredge 120,000 cubic yards of material from around Pier 25 to allow large boats to support rescue and recovery operations. Brigadier General Stephen Rhoades, North Atlantic Division commander, gave permission in record time to dredge and place material in the Newark Bay Confined Disposal Facility. The Corps also dredged Pier 6 in Manhattan, which permitted greater access for barge transportation of debris from the pier to the facility. Prior to this dredging, it was necessary to truck the debris uptown through Manhattan, to a pier that could accommodate the large barges, and then transport the debris to the facility.

At one point, more than 160 Corps of Engineers personnel had deployed from across the nation to New York City to join the 750 North Atlantic Division employees who work in the city. Those deployed included structural engineers skilled in urban search and rescue, debris management specialists, logistics and contracting personnel, and the soldiers of the 249th Engineer Battalion (Prime Power).

Since the attack, the Corps of Engineers has continued to support and work closely with the Federal Emergency Management Agency in the recovery operations, and we will continue to do so until the operation is complete.

We also are working closely with the Office of Homeland Security in protecting the Civil Works infrastructure from terrorist attacks. We have developed a Civil Works Infrastructure Assessment Program, which to date has consisted of training 250 Corps Engineers and Security personnel; conducting infrastructure assessments of critical projects in each Division; and offering a specialized security training course to Corps personnel through our training facility in Huntsville, Alabama. The Civil Works program received $139 million in emergency supplemental appropriations to fund recurring protection costs at critical facilities and some physical security measures identified in the critical facility assessments.

The immediate response of the United States Army Corps of Engineers is yet another reason I am so proud to be the 50th Chief of Engineers. Corps employees from every division and district called to volunteer to do whatever is needed to support the Emergency response and recovery.

I would like to conclude my comments on the Corps' support after these tragic events by quoting the Honorable Thomas White, Secretary of the Army, in a speech he gave shortly after visiting ground zero in New York City. He said, "To the Corps of Engineers I would say...while your history is impressive, given the current situation, your finest hour is a chapter yet to be written. The nation will look to your extraordinary capability to protect and sustain our infrastructure against a wide variety of threats." Mr. Chairman, and Members of the Committee, the U.S. Army Corps of Engineers is ready, able, and proud to serve the nation in its time of need.

HIGHLIGHTS OF THE CIVIL WORKS PROGRAM BUDGET

The Fiscal Year 2003 U.S. Army Corps of Engineers budget provides the following:

General Investigations	108,000,000
Construction, General	1,440,000,000
Operation and Maintenance, General	1,979,000,000
Regulatory Program	151,000,000
Flood Control, Mississippi River & Tributaries	288,000,000
General Expenses	161,000,000
Flood Control and Coastal Emergencies	22,000,000
FUSRAP	141,000,000
TOTAL	**$4,290,000,000**

Construction, General Backlog

The Corps estimates that there is a construction backlog of about $44 billion, including about $21 billion to complete ongoing flood damage reduction, navigation, and environmental restoration projects consistent with Administration policy, about $8 billion to complete other ongoing construction projects, about $6 billion to complete already started Mississippi River and Tributaries construction projects, and about $8 billion for authorized and unauthorized projects in Preconstruction Engineering and Design. Available funding is directed toward construction of the ongoing projects that are consistent with Administration policy. One new project construction start is proposed for funding to meet the legal requirements of a Biological Opinion under the Endangered Species Act. No discretionary new project construction starts are budgeted and no new study starts are budgeted.

Operation and Maintenance, General Backlog

The fiscal year 2003 budget of $1.979 billion is $40 million more than the amount enacted in fiscal year 2002, excluding emergency supplemental appropriations and including imputed employee pension and annuitant health benefit costs. We can

sustain customer services in fiscal year 2003 with this level of funding. While we join the other federal agencies in coping with severe demands on the nation's fiscal resources, sustaining all of our current customer services becomes increasingly difficult in the long term, given the vast and aging infrastructure needing care and attention. As stewards of a diverse and widespread complex of water resources projects, the Corps of Engineers is challenged to ensure the continued flow of benefits that are so critical to our nation's security and economic well being.

As I reported to this Committee in the fiscal year 2002 appropriation hearings, we still face a growing maintenance backlog. Routine maintenance, major repairs, replacement of outdated or worn facilities, management improvement studies, and correction of environmental deficiencies could use much more than the budget amount. However, to be realistic in our assessment, we normally focus on critical maintenance. Critical maintenance is maintenance that should be performed in the budget year in order to continue operation at a justified level of service and to attain project performance goals.

The funds provided for fiscal year 2002 left us with a critical maintenance backlog estimated at $702 million, and we estimate that our critical maintenance backlog in fiscal year 2003 will be about $884 million. The critical maintenance backlog for navigation is $587 million and consists largely of dredging and repairs to structures such as locks, dams, breakwaters, and jetties. The critical maintenance backlogs for other business functions are $127 million for flood damage reduction, $110 million for recreation, and $60 million for environmental management, and consist of work such as spillway repairs, seepage control, embankment toe protection, access road and recreation facility repairs, and environmental compliance actions. The critical maintenance backlog for hydropower will be eliminated in fiscal year 2003 in conjunction with the Administration's proposal that Federal power marketing administrations directly finance hydropower operation and maintenance.

The critical maintenance backlog includes $93 million for maintenance of shallow draft harbor projects and $108 million for maintenance of low commercial-tonnage inland waterway projects. Most of this work is for purely recreational harbors and higher-cost inland waterway segments and therefore is low priority work.

To improve our program execution, my Division Commanders are continuing a concerted effort to identify and concentrate available resources on the most critical of this work and to do this work at least cost. We are analyzing the work in this backlog to ensure that it qualifies as critical maintenance. In addition, we will continue to assess the justification for the level of service that we are providing. These analyses may result in a slight reduction in our estimate of the critical maintenance backlog for fiscal year 2003.

HOW THE CIVIL WORKS PROGRAM PROVIDES SUPPORT TO THE NATION'S ECONOMIC SECURITY

The Civil Works program employs nearly 25,000 full time equivalent Federal employees and many thousands more private sector contract employees. These individuals are employed in a wide array of fields including all aspects of engineering; architecture; project management; construction management; planning; program management; operation and maintenance; economics; and environmental sciences.

The Civil Works program provides the infrastructure to support important economic activity. The components of the program include navigation features, which facilitate domestic and foreign commerce, flood control features, which reduce flood hazards and damages, water supply to millions of citizens as well as industrial firms, businesses, and farms, hydroelectric power generation features at 75 Corps operated facilities, and recreational features at Corps-constructed lakes and shore protection projects.

I would like to discuss in greater detail the economic impacts associated with two of these areas of activity: navigation features; and recreational opportunities at Corps-constructed lakes.

The Significance of Navigation to the Nation's Economic Activity

Commercial navigation is one of the Civil Works program's high priority missions and a focal point for a substantial amount of the Civil Works budget. In the year 2000, over 2.4 billion tons of foreign and domestic cargo were transported via our Nation's ports and waterways. This figure is composed of 1.4 billion tons of foreign trade cargo and 1 billion tons of domestic cargo.

Of the 1.4 billion tons of foreign cargo, almost 1 billion tons were foreign imports to the United States, including over 500 million tons of crude petroleum and 130 million tons of chemicals and related products. Over 400 million tons of cargo were U.S. exports to other nations, including over 150 million tons of food and farm products, 60 million tons of coal, 58 million tons of chemicals, and 56 million tons of petroleum products.

Of the 1 billion tons of domestic cargo, almost 630 million tons, or 8 percent of the Nation's freight tonnage, moved on the Nation's 11,000-mile inland waterway system. Of the nearly 630 million tons, coal comprised about one quarter of the total with 160 million tons moved, petroleum products totaled 121 million tons, food and farm products totaled 90 million tons, and sand, gravel and stone made up about 80 million tons.

Over 225 million tons of domestic cargo moves via coastwise shipments, including 115 million tons of petroleum products and 48 million tons of crude petroleum

such as Alaskan crude petroleum moving to refineries on the West coast of the United States.

Over 114 million tons of domestic cargo moved via shipments on the Great Lakes, including 57 million tons of iron ore and scrap metal, key components in the manufacturing of steel, 30 millions tons of sand, gravel and stone, and 20 million tons of coal.

In its 1999 report to Congress, "*An Assessment of The U.S. Maritime Transportation System*", the U.S. Department of Transportation reported that waterborne cargo movements created employment opportunities for more than 13 million individuals. While many jobs created are directly in water transportation and ports, most of the 13 million jobs created as a result of waterborne transportation are in other sectors of the economy.

Although there are a number of actors, public and private, that contribute to waterborne transportation, the Corps of Engineers plays a key role. We create and maintain economically justified navigable capacity. We enable the ports and waterways to handle the vessels. Without this capacity, the Nation cannot compete for trade, cannot move goods efficiently, and cannot sustain those 13 million jobs.

Recreational Opportunities at Corps Constructed Lakes

I will now turn my remarks to the subject of the economic impacts associated with the provision of recreational opportunities at Corps constructed lakes. The Operation and Maintenance, General budget includes $277 million for recreational activities, slightly above the FY 2002 enacted level.

I quote from our recently completed report, "*A National Dialogue About America's Water Resources Challenges For the 21st Century: National Report on Identified Water Resources Challenges and Water Challenge Areas.*"

> "When it is time for outdoor recreation Americans head for the water. The Nation's many lakes, rivers, and beaches offer everyone fun, fitness, rest and relaxation. Water is the number one recreation attraction in America today, making Federal lakes an irreplaceable public resource."

America's first choice for water-based recreation is the Corps of Engineers. One out of every ten Americans will visit a Corps lake this year.

I would now like to provide you with some figures describing the Corps' recreational features at our lakes. The Corps operates 456 lakes in 43 states with a total land area of 12 million acres. At these facilities there are 56,000 miles of shoreline, 4,000 recreational areas with 101,000 campsites, 3,800 boat launch ramps, and 5,000 miles of trails.

Not only is recreation important to the individuals who visit our lakes and other recreational facilities, but also it is important for the economic impacts and employment opportunities created within those communities located near to these recreational facilities.

For example, a 1996 study prepared by the Corps' Engineering and Research Development Center, entitled "*Estimating the Local Economic Impacts of Recreation at Corps of Engineers Projects – 1996*" concluded that visitors to Corps facilities spent approximately $6 billion on trip related expenses, which in turn generated over 160,000 jobs in the surrounding communities. Significant economic and employment impacts associated with our recreational facilities were identified in a number of geographic locations, including our Little Rock, Nashville, Mobile, Tulsa, Huntington, Louisville, and Fort Worth District offices.

Conclusion

We must continue to find ways to reduce our costs and shift some costs to direct beneficiaries of our services. Meanwhile, we will do our very best to execute the Civil Works Program for maximum benefit to the nation. I have testified today on the positive effects of the Corps' mission on the nation's economy. In closing, I would like to restate that the Corps of Engineers' Civil Works program supports economic activity, prosperity, and well being in its high priority mission areas by facilitating waterborne transportation and reducing the threat of flooding and the extent of flood damages incurred, as well as other Civil Works activities.

Thank you Mr. Chairman and Members of the Committee. This concludes my statement.